

Voluntary - Public

Clearance Office: Office of Global Analysis (OGA)

Date: 6/2/2009

GAIN Report Number: TH9084

Thailand

Post: Bangkok

Weekly Rice Price Update

Report Categories:

Grain and Feed

Approved By:

Gary Meyer, Agricultural Counselor

Prepared By:

Ponnarong Prasertsri, Agricultural Specialist

Report Highlights:

Export prices increased \$30-\$40/MT particularly for white rice, due to the delay in the government stock release and continued strengthening Thai baht. The Government may take until mid-June to release stocks as concerns over significant losses prompted the Cabinet to halt the release last week.

Presently, the Government is holding outstanding intervention stocks of around 6.0 million tons. Meanwhile, the Cabinet plans to experiment with a pilot project on the new program with fragrant rice in the northeast later in the year.

General Information:

Indicative Prices (Week Ending Jun. 1):

Thailand: Export (FOB) Prices for various grades of rice (USD/MT)

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	865	-	860	-	-	855	-	860	856
WR 100 B	570	-	570	-	-	590	595	581	551
PB 5%	580	-	590	-	-	595	600	591	546
WR 5%	545	-	550	-	-	560	580	559	532
WR 10%	535	-	540	-	-	555	-	543	527
WR 15%	500	-	530	-	-	530	-	520	503
WR 25%	450	-	520	-	-	475	-	482	448
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	315	-	340	-	-	320	-	325	325
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 34.0 baht/U.S.\$

Source: Average actual prices received from exporters

Market Tone

Export prices increased \$30-\$40/MT particularly for white rice, due to the delay in the government stock release and continued strengthening Thai baht. The Government may take until mid-June to release stocks as concerns over significant losses prompted the Cabinet to halt the release last week (TH9080). This unexpected delay has caused some exporters to source rice from the domestic market to fulfill current shipments. Also, the strengthening Thai baht to beyond 34.0 baht/\$ has pushed Thai rice prices even higher. Some exporters are hesitating to provide quotations under the current uncertainty. However, prices are expected to fall once the stock is released. Presently, the Government is holding outstanding intervention stocks of around 6.0 million tons.

The second-crop intervention program has almost reached the new target of 4.0 million tons of paddy. Farmers are urging the Government to expand the target again as second-crop harvest is underway and the current intervention program will not end until the end of July. The Government is expected to propose another target expansion to the Cabinet this week. Also, the Cabinet will consider an alternative approach to the intervention program for the next crop (MY2009/10 main crop) in order to reduce potential losses. The Cabinet plans to experiment with a pilot project on

the new program with fragrant rice in the northeast later in the year. Meanwhile, white rice paddy in other areas will remain under the current intervention program (mortgage scheme) in which the government ends up with large outstanding stocks that incur significant losses when released.

The following are the reported rice exports (as is basis):

WEEK ENDING	QUANTITY	4 WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
Mar 29	86,141	93,542	1,256	2,307	-45.5
Apr 2	105,037	94,685	1,362	2,489	-45.3
Apr 12	85,157	89,739	1,447	2,657	-45.6
Apr 19	55,543	82,969	1,502	2,736	-45.1
Apr 26	144,559	97,581	1,647	2,906	-43.3
May 3	142,632	106,980	1,789	3,042	-41.2
May 10	130,197	118,240	1,920	3,178	-39.6
May 17	138,960	139,094	2,059	3,363	-38.8
May 24	174,201	146,497	2,233	3,539	-36.9
May 31	132,053	143,853	2,365	3,748	-36.9

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.

Unofficial exports (excluding fragrant rice) for May 25-31, 2009 totaled 132,053 tons, down 42,147 tons from the previous week, and down 11,799 tons from the four-week moving average of 143,853 tons. Exports during Jan. 1 – May 31 totaled 2,356,401 tons, as compared with 3,748,096 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1- May 22, 2009, amounted to 3,300,207 tons, down 29.5 percent from 4,683,835 tons in the previous year.

Weekly Rice Sales

Private registered rice export sales for the period of May 11-15, May 18-22 (revised), and

May 25-29, 2009 are as follows:

Movement (MT)	May 11-15	May 18-22 (revised)	May 25-29
Weekly sales	175,094	157,792	164,776
4 week sum	528,203	561,263	597,634
4 week mov. avg.	132,051	140,316	149,409
Total weekly sales	2,475,115	2,632,907	2,797,683